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Pamela Grubaugh-Littig and Wayne Hedberg Permit Supervisors Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 July 10, 2007

Re:

Centennial Project

C/007/019

Response to Task 2766

Dear Ms. Littig and Mr Hedberg:

Enclosed are 6 each copies of the response to the Task 2677. These are the "stand-alone" deficiencies cited by Priscilla Burton as part of the latest GVH amendment. These deficiencies involve cleaning up the lease acreage summary, and the air quality approval order.

Please note that I have taken this opportunity to update all of Chapter 1, and in particular the Ownership and Control section (now included as Appendix 1, Part 1), the Current and Previous Coal Mining Permits section (now included as Appendix 1, Part 2), and the Violation Information (now included as Appendix 1, Part 3). Appendix 1 is a new appendix specifically devoted to Chapter 1 issues, and consolidates some of the previous material that was scattered throughout several unrelated appendices. These changes are defined in the attached C2 form. At such time as these changes are approved and ready for incorporation I would like to assist the Division staff in updating the MRP in order to eliminate any confusion with the new arrangement.

If you have questions or comments please contact me at 435-888-4017.

Dave Shaver

Sincerely

Resident Agent

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File in: C/007/019, 2007, Incor

Refer to:

Confidential
Shelf

XI Expandable

Date 7/16/67 For additional information

| APPLICATION FOR PERMIT PROCESSING | | | | | | | | | |
|--|--------------------------------|---|----------------|------------|---------------|----------------|------------------------------------|--|--|
| Permit Change □ | | New Permit □ | Renewal D | Transfer 🗆 | Exploration □ | Bond Release □ | Permit Number: C/007/019 | | |
| Title of Proposal: Response to Task 2766 Mine: Centennial Project | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | Permittee: ANDALEX Resources, Inc. | | |
| Description, include reason for application and timing required to implement:. | | | | | | | | | |
| Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialis | | | | | | | | | |
| □ Yes | ₩No | 1. Change in the size of the Permit Area?acres Disturbed Area?acres □ increase □ decrease. | | | | | | | |
| □ Yes | XNo | 2. Is the application submitted as a result of a Division Order? | | | | | | | |
| □ Yes | MNo | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? | | | | | | | |
| □ Yes | XNo | 4. Does application include operations in hydrologic basins other than as currently approved? | | | | | | | |
| □ Yes | No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? | | | | | | | |
| □ Yes | KNO | 6. Does the application require or include public notice/publication? | | | | | | | |
| Yes | □ No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? | | | | | | | |
| □ Yes | No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? | | | | | | | |
| □ Yes | ≱ No | 9. Is the application submitted as a result of a Violation? | | | | | | | |
| □ Yes | No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: | | | | | | | |
| □ Yes | MNo | 11. Does the application affect the surface landowner or change the post mining land use? | | | | | | | |
| □ Yes | XNo | 12. Does the application require or include underground design or mine sequence and timing? | | | | | | | |
| □ Yes | ≫No | 13. Does the application require or include collection and reporting of any baseline information? | | | | | | | |
| □ Yes | ⋈No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? | | | | | | | |
| □ Yes | X No | 15. Does application require or include soil removal, storage or placement? | | | | | | | |
| □ Yes | ⋈ No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? | | | | | | | |
| □ Yes | PKNO | 17. Does the application require or include construction, modification, or removal of surface facilities? | | | | | | | |
| □ Yes | No | 18. Does the application require or include water monitoring, sediment or drainage control measures? | | | | | | | |
| □ Yes | ₩No | 19. Does the application require or include certified designs, maps, or calculations? | | | | | | | |
| □ Yes | ЖNо | 20. Does the application require or include subsidence control or monitoring? | | | | | | | |
| □ Yes | No | 21. Have reclamation costs for bonding been provided for? | | | | | | | |
| □ Yes | ≫No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? | | | | | | | |
| □ Yes | ⋈No | No 23. Does the application affect permits issued by other agencies or permits issued to other entities? | | | | | | | |
| □ Attacl | n_3_ coi | nplete copies o | of the applica | ation | 1 | | | | |
| I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations herein. (R645-301-123) | | | | | | | | | |
| Subscribed and sworn to before me this 6 day of 500 TAMIL WARDLE DIV. OF OIL, GAS & MINING | | | | | | | | | |
| My Commissio | NOTARY PUBLIC • STATE OF LITAH | | | | | | | | |
| My Commission Expires: Attest: STATE OF COUNTY | | | | | | | | | |

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application:

Response to Task 2766

Permit Number:

C/007/019

Mine: Centennial Project

Permittee: ANDALEX RESOURCES

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

| | | | DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED |
|-------|-----------|----------|--|
| □ ADD | REPLACE | □ REMOVE | Chapter 1 List of Appendices Iviii |
| □ ADĐ | □ REPLACE | □ REMOVE | |
| □ ADD | XREPLACE | □ REMOVE | Chapter 1 text: all |
| □ ADD | □ REPLACE | □ REMOVE | |
| □ ADD | | □ REMOVE | Figure 1-2 |
| □ ADD | □ REPLACE | □ REMOVE | |
| XADD | □ REPLACE | □ REMOVE | Appendix 1, Part 1 Ownership + Control |
| □ ADD | □ REPLACE | □ REMOVE | |
| XADD | □ REPLACE | □ REMOVE | Appendix 1, Part 2 Current and Previous |
| □ ADD | □ REPLACE | □ REMOVE | Appendix 1, Part 2 Current and Previous Coal Mining Permits |
| □ ADD | □ REPLACE | □ REMOVE | 7 |
| XADD | □ REPLACE | □ REMOVE | Appendix 1, Part 3 Violation Information |
| □ ADD | □ REPLACE | □ REMOVE | |
| ADD | □ REPLACE | □ REMOVE | Air Quality Approval Order |
| □ ADD | □ REPLACE | □ REMOVE | Air Quality Approval Order This should be added to Appendix I |
| □ ADD | □ REPLACE | □ REMOVE | // |
| □ ADD | □ REPLACE | □ REMOVE | |
| □ ADD | □ REPLACE | □ REMOVE | |
| □ ADD | □ REPLACE | □ REMOVE | |
| □ ADD | □ REPLACE | □ REMOVE | |
| □ ADD | ☐ REPLACE | □ REMOVE | |
| □ ADD | □ REPLACE | □ REMOVE | |
| □ ADD | □ REPLACE | □ REMOVE | |

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

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